

News and Information

From the Tennessee Division of Consumer Affairs

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**Contact:
David McCollum
Chris Allen**

**Weekly Column by David McCollum, Director
Tennessee Division of Consumer Affairs
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Don't Get Taken at Tax Time

The April 16 deadline for filing tax returns is almost upon us, so you may have seen an ad in the paper or a poster on a telephone pole that promises to give you a better tax refund or even eliminate your taxes completely. Sounds interesting, doesn't it? You pick up the phone, dial the number in the ad, and a cheery voice answers. "I don't pay taxes, why should you? For only \$49.95 I can give you the secret to my tax-free life! Death may be certain, but with loopholes I've discovered, taxes aren't! Be released from the burden of government oppression and keep *all* your money for yourself! So what credit card will you be using to break free *today*?"

Stop right there! This is one of the most common scams the IRS sees. The person on the other end of this call has a secret, all right, but it isn't going to help you avoid income tax. The secret is that they're about to make you \$55 dollars poorer. (Yes, Virginia, there is a shipping and handling fee.) When you get the information they're selling, you'll realize what they're talking about is tax evasion, and it's a crime. They have another secret, by the way; they pay taxes like everybody else. It's how they stay out of jail.

Another repeat performer on the common schemes list is the slave reparations scam. A number of national media outlets have publicized a push for slave reparations, but there is no slave reparations tax refund. If you find a flyer stuffed in you mailbox or under your windshield wiper that says you can get this benefit, pass that bit of evidence on to your friendly neighborhood IRS agent. The people printing those flyers want to rip you off, either by charging a fee to process your "special" tax return, or by getting your Social Security Number so they can steal your identity. (See recent columns on ID theft.) If you buy into this fraud, you'll lose your "processing fee," and the IRS may charge you for filing a frivolous return.

If you have questions or concerns regarding income tax scams, contact the IRS at 1-800-829-1040 or www.irs.gov. For other consumer issues, contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or visit www.state.tn.us/consumer.